

Senate Engrossed

**FILED**

**KEN BENNETT  
SECRETARY OF STATE**

State of Arizona  
Senate  
Fiftieth Legislature  
First Regular Session  
2011

CHAPTER 72

# **SENATE BILL 1512**

AN ACT

AMENDING SECTION 35-454, ARIZONA REVISED STATUTES; RELATING TO BOND ELECTION  
PAMPHLETS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 35-454, Arizona Revised Statutes, is amended to  
3 read:

4 35-454. Informational pamphlet for election; review; election;  
5 return; canvass of vote; certificate of election

6 A. The governing body or board of the political subdivision shall:

7 1. Not less than thirty-five days before the bond election, mail a  
8 copy of an informational pamphlet to every household within the political  
9 subdivision that contains a registered voter. The pamphlet shall contain  
10 information on the:

11 (a) Amount of the bond authorization.

12 (b) Maximum interest rate of the bonds.

13 (c) Estimated debt retirement schedule for the current amount of bonds  
14 outstanding, showing both principal and interest payments, the current  
15 secondary assessed valuation as reported by the department of revenue or the  
16 county assessor and the current adopted and estimated tax rates. For the  
17 purposes of this paragraph, "secondary assessed valuation" may include the  
18 values used to determine voluntary contributions collected pursuant to title  
19 9, chapter 4, article 3 and title 48, chapter 1, article 8.

20 (d) Estimated debt retirement schedule for the proposed bond  
21 authorization, showing both the estimated principal and interest payments and  
22 the estimated average annual tax rate for the proposed bond authorization.  
23 In preparing this information and the information prescribed by subdivision  
24 (c), the projected total annual increase in secondary assessed valuation for  
25 any future year shall not exceed:

26 (i) For the first five years of the estimated debt retirement  
27 schedule, the average of the annual percentage growth for the previous ten  
28 years in the secondary assessed valuation of the political subdivision.

29 (ii) For the remaining years of the estimated debt retirement  
30 schedule, twenty per cent of the average of the annual percentage growth for  
31 the previous ten years in the secondary assessed valuation of the political  
32 subdivision.

33 (e) Source of repayment.

34 (f) Estimated issuance costs.

35 (g) Estimated tax impact of debt service for the bonds on an  
36 owner-occupied residence classified as class three pursuant to section  
37 42-12003, and on commercial property classified as class one pursuant to  
38 section 42-12001, paragraph 12 AND ON AGRICULTURAL OR OTHER VACANT PROPERTY  
39 CLASSIFIED AS CLASS TWO PURSUANT TO SECTION 42-12002, assuming the assessed  
40 valuation of the property increases annually at fifty per cent of the  
41 projected total annual increase in secondary assessed valuation as determined  
42 pursuant to subdivision (d) over the term of the bonds using the same average  
43 annual tax rate as under subdivision (d), as follows:

1           The tax impact over the term of the bonds on an  
2 owner-occupied residence valued by the county assessor at  
3 \$250,000 is estimated to be \$\_\_\_\_ per year for \_\_\_\_ years, or \$\_\_\_\_  
4 total cost.

5           The tax impact over the term of the bonds on commercial  
6 property valued by the county assessor at ~~\$2,500,000~~ \$1,000,000  
7 is estimated to be \$\_\_\_\_ per year for \_\_\_\_ years, or \$\_\_\_\_ total  
8 cost.

9           THE TAX IMPACT OVER THE TERM OF THE BONDS ON AGRICULTURAL  
10 OR OTHER VACANT PROPERTY VALUED BY THE COUNTY ASSESSOR AT  
11 \$100,000 IS ESTIMATED TO BE \$\_\_\_\_ PER YEAR FOR \_\_\_\_ YEARS, OR  
12 \$\_\_\_\_ TOTAL COST.

13          (h) In bold-faced type, estimated total cost of the proposed bond  
14 authorization, including principal and interest.

15          (i) Current outstanding general obligation debt and constitutional  
16 debt limitation.

17          (j) Purpose for which the bonds are to be issued and, if applicable,  
18 in bold-faced type, that the amount of the proposed bond authorization  
19 combined with the current outstanding debt exceeds the political  
20 subdivision's constitutional debt limit.

21          (k) Polling location for the addressee.

22          (l) Hours during the day when the polls will be open.

23          (m) Arguments for and against the authorization of one or more of the  
24 bond propositions.

25          2. Submit a copy of the informational pamphlet to the department of  
26 revenue within thirty days after the bond election. The department of  
27 revenue shall maintain copies of the pamphlets.

28          B. The failure of any one or more electors to receive the  
29 informational pamphlet shall not be grounds to invalidate the election. The  
30 election shall conform with the general election laws of the state. The  
31 return of the election held in a county shall be made to the board of  
32 supervisors and, in any other case, to the governing body or board of the  
33 municipal corporation or district within twelve days after the election.

34          C. For any proposed general obligation bond authorization where the  
35 principal and interest will be paid by a levy of property taxes, the ballot  
36 shall contain the phrase "the issuance of these bonds will result in a  
37 property tax increase sufficient to pay the annual debt service on bonds".  
38 Any written information provided by the political subdivision pertaining to  
39 the bond election shall include financial information showing the estimated  
40 average tax rate for the proposed bond authorization.

41          D. If the governing body intends to use revenues other than property  
42 taxes to pay the debt on proposed general obligation bonds, the ballot shall  
43 contain the phrase "the issuance of these bonds will result in a property tax  
44 increase sufficient to pay the annual debt service on bonds, unless the  
45 governing body provides for payment from other sources".

1       E. The board of supervisors, governing body or governing board shall  
2 hold a special meeting within twenty days after the election to canvass the  
3 votes cast and certify the result. The certificate of the result shall be  
4 prima facie evidence of full performance of all conditions and requirements  
5 precedent to holding the election.

6       F. The governing board or body shall file and record in the office of  
7 the county recorder a certificate disclosing the purpose of the election, the  
8 total number of votes cast and the total number of votes for and against  
9 creating the indebtedness, and stating whether or not the indebtedness is  
10 ordered. Upon filing and recording the certificate, the governing board or  
11 body shall carry out the purpose of the election.

12       G. Variations between the estimates required by subsection A of this  
13 section and the actual debt retirement schedules, issuance costs, annual and  
14 total costs and tax rates shall not invalidate either the election or the  
15 bonds.

APPROVED BY THE GOVERNOR APRIL 12, 2011.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 12, 2011.

Passed the House April 6, 20 11,

Passed the Senate March 3, 20 11,

by the following vote: 53 Ayes,

by the following vote: 21 Ayes,

6 Nays, 1 Not Voting

5 Nays, 4 Not Voting

[Signature]  
Speaker of the House

[Signature]  
President of the Senate

Cheryl Laube  
Chief Clerk of the House

Charmine B. Bunting  
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF GOVERNOR

This Bill was received by the Governor this

7 day of April, 20 11,

at 2:00 o'clock P. M.

[Signature]  
Secretary to the Governor

Approved this 12<sup>th</sup> day of

April, 20 11,

at 9:27 o'clock P. M.

[Signature]  
Governor of Arizona

S.B. 1512

EXECUTIVE DEPARTMENT OF ARIZONA  
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 12<sup>th</sup> day of April, 20 11,

at 4:01 o'clock P. M.

[Signature]  
Secretary of State